



Altech Chemicals
Limited

QUARTERLY REPORT

December 2017

HIGHLIGHTS

German export credit cover decision positive with debt package increased to US\$190m

- German project finance export credit cover application approved on 15 December 2017
- Project finance debt package increased to US\$190m (from US\$185m)
- German government export credit finance cover (ECA) portion of the debt package increased to US\$170m (was US\$165m)
- ECA covered loan is at long tenure and on highly attractive terms
- US\$20m balance of loan at customary lending terms
- Credit approval received from lender KfW IPEX-Bank

A\$17m share placement successfully completed

- A\$17m share placement to support the next phase of project development
- US\$4m (A\$5.3m) participation from German EPC contractor SMS group
- A\$3m participation from Melewar Group and associates

US\$15m of equity support pledged by German EPC contractor SMS group

- SMS commits to total equity support of US\$15m
 - US\$4m (A\$5.3m) participation in the A\$17m share placement
 - US\$11m of additional equity support at close of project financing
- Demonstrates confidence and commitment to Altech and its HPA project

Malaysian manufacturing licence lodged

- Manufacturing licence application submitted to Malaysian Investment Development Authority (MIDA)
- Eligible for investment incentive under "Pioneer Status" (5-year tax exemption)
- High technology manufacturing of advanced material
- HPA project represents a RM1.2 billion investment in Malaysia

Positive Final Investment Decision Study (FIDS)

- FIDS well received (announced 23 Oct 2017)
- Based on a proposed 4,500tpa HPA project, positive results included:
 - Pre-tax NPV^{7.5} US\$505m
 - IRR 22%
 - Payback (full rate) 3.9 years
 - EBITDA US\$76m p.a.
 - Capital cost US\$298m

German export credit cover decision positive with debt package increased to US\$190 million

In the previous quarter the Company advised of the successful completion of the German government-owned KfW IPEX-Bank's project finance due diligence program and the subsequent target date of 14 December 2017 that was set for determination of the project finance export credit cover (ECA) application (refer ASX announcement dated 15 September 2017).

Following the 14 December 2017 target date, the Company announced (on 15 December 2017) that the German government inter-ministerial committee (IMC) had reached a positive decision on Altech's application for project ECA debt finance.

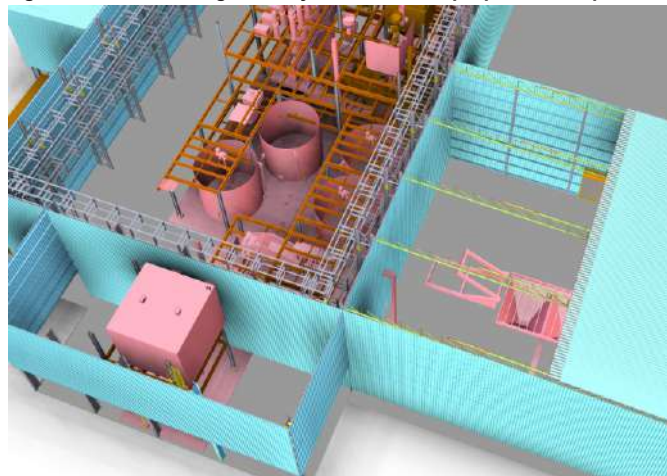
The Company was subsequently advised by KfW IPEX-Bank (the sole debt provider for Altech's HPA project) of the credit approval for an increased project finance debt package of US\$190 million (refer ASX announcement dated 20 December 2017).

The ECA component, which represents approximately 90% of the total project finance package, increased to US\$170 million (from US\$165 million); the increase was also approved by the German IMC. The ECA component of the debt package is targeted as long tenure under highly attractive terms. The balance of US\$20 million will be at customary lending terms.

Figure 1. Representatives of KfW IPEX-Bank, Euler Hermes, SMS and Altech's board, Dusseldorf, Germany



Figure 2. Detailed design site layout of Altech's proposed HPA plant



A\$17 million share placement successfully completed

During the quarter the Company completed a ~A\$17.2 million share placement (before costs) to continue the development of its high purity alumina (HPA) project.

The share placement was corner-stoned by German engineering firm SMS group GmbH (SMS) with a US\$4 million (A\$5.3 million) subscription. SMS is the Company's appointed engineering, procurement and construction (EPC) contractor for the Malaysian HPA plant.

A\$3 million of the share placement was subscribed by various entities associated with Altech non-executive director Tunku Yaacob Khyra (Melewar Group), including MAA Group Berhad with a A\$1 million subscription.

Proceeds from the placement will be used to continue the development of the Company's HPA project, which includes payments for land at Meckering, Western Australia and Johor, Malaysia; detailed engineering design; working capital and general corporate purposes.

The issue of placement shares to Melewar Group and SMS was approved by shareholders at the Company's annual general meeting (AGM) held on 30 November 2017.

US\$15 million of equity support pledged by German EPC contractor SMS group

On 9 November 2017 the Company was delighted to announce that it had secured a US\$15 million pledge of equity investment support by German engineering firm SMS group GmbH (SMS), the appointed engineering, procurement and construction (EPC) contractor for Altech's HPA plant.

US\$4 million (A\$5.3 million) of equity has already been received as part of the A\$17.2 million share placement completed during the quarter. The balance of SMS's equity contribution will be at the close of project financing and will be priced at that time.

SMS is a large privately-owned German engineering firm with an annual turnover of approximately 3.3 billion Euros. SMS builds turnkey solutions based on innovative plant technology, complete with buildings, infrastructure and auxiliary equipment for processing plants such as Altech's proposed HPA plant. SMS was founded in 1871 and is based in Düsseldorf, Germany with office locations worldwide.

The Company welcomed the additional direct investment by SMS. It demonstrates the confidence of the EPC contractor in the HPA project and the Company.

Malaysian manufacturing licence application lodged

Subsequent to quarter end the Company's wholly-owned subsidiary Altech Chemicals Sdn Bhd submitted a manufacturing licence application to the Malaysian Investment Development Authority (MIDA) for its proposed HPA plant.

An application was also made to MIDA for the HPA project to be afforded a "Pioneer Status" (high technology) investment incentive classification, which enables income tax exemption of 100% of statutory income for a period of five years from the commencement of commercial production. In addition, any accumulated losses and unabsorbed capital allowance (depreciation) during the Pioneer Status period can be carried forward and deducted from post Pioneer Status period income.

Altech and MIDA were introduced in 2015 and the Company has since liaised with MIDA on the HPA project's development. Altech recently met with MIDA representatives in Kuala Lumpur, Malaysia to finalise the manufacturing licence application.

Figure 3. Altech & MIDA in Kuala Lumpur, Malaysia (December 2017)



Altech's Johor-based HPA project represents an investment of approximately RM1.2 billion in Malaysia. The advanced manufacturing technology that will be employed in Altech's HPA plant and the strategic nature of the finished product is consistent with high technology manufacturing projects that are promoted by MIDA and its various investment incentives. Altech's HPA project has been previously presented to the Minister of International Trade and Industry, Dato' Sri Mustapa bin Mohamed and the Chairman of MIDA, Tan Sri Amirsham Abdul Aziz.

Johor is among the top recipients of investments in the manufacturing sector. As at 2016, a total of 4,464 projects with investments valued at RM145.2 billion have been implemented in the state. More than 500,000 locals have benefitted from these projects through employment. Johor continued to sustain its 2016 position as the largest recipient of approved manufacturing projects last year with 165 projects worth RM26.4 billion. These projects are poised to generate more than 8,500 job opportunities for Malaysians.

About MIDA

MIDA is the Malaysian government's principal promotion agency under the Ministry of International Trade and Industry (MITI) that drives investments into the manufacturing and services sectors in Malaysia. Established in 1967, MIDA is a robust, dynamic organisation of over 700 employees. Headquartered in Kuala Lumpur, MIDA today has 12 regional and 23 overseas offices.

Positive Final Investment Decision Study (FIDS)

During the quarter the Company announced the positive results from its Final Investment Decision Study (FIDS) for the development of a 4,500tpa HPA plant at Johor, Malaysia and kaolin mine at Meckering, Western Australia (refer ASX announcement dated 23 October 2017).

The FIDS included up-to-date HPA project assumptions including the final capital cost estimate. The financial metrics from the FIDS are extremely robust. Project Net Present Value (NPV) is US\$505.6 million at a discount rate of 7.5%, payback (at full rate) is 3.9 years and annual EBITDA is US\$75.7 million at full production.

The internal rate of return (IRR) is 21.9% with a gross margin on sales of 63%. The Company's weighted cost of capital (WACC) was recalculated taking into account the higher planned debt and assumed interest, debt mix, and total project costs; thus reflected as the discount rate of 7.5% used in the 30-year discounted cash flow model for the FIDS. The beta used in the calculation is 0.83.

The FIDS includes details and results of the extensive independent project finance due diligence that was conducted by German government-owned KfW IPEX-Bank. The Company's HPA project has been significantly de-risked as a result of the due diligence program, which has also prepared the project for near-term commercial development.

Table 1. FIDS financial metrics
(Equity model) High Case (current market price)

| 4,500tpa HPA project (US\$) | FIDS Avg. price US\$27/kg | High Case price US\$40/kg |
|-------------------------------|------------------------------|------------------------------|
| Project Capital Costs | US\$ 297.6m | US\$ 293.6m |
| Revenue p.a. | US\$ 120.3m | US\$ 180.0m |
| Operating Costs p.a. | US\$ 44.6m | US\$ 46.9m |
| EBITDA p.a. | US\$ 75.7m | US\$ 132.7m |
| Net Present Value (@7.5%) | US\$ 505.6m | US\$ 1,087m |
| Payback at full production | 3.9 years | 2.2 years |
| Internal Rate of Return (IRR) | 21.9% | 32.9% |
| NPV/Capex Ratio | 1.70 | 3.66 |
| Project Life | 30 years | 30 years |
| HPA Production Costs | US\$ 9.90/kg | US\$ 10.5/kg |
| Gross Margin on Sales | 63% | 74% |
| USD:AUD | 0.75 | 0.75 |
| Corporate Costs | US\$ 7.7m | |
| Target Total Project Debt | US\$ 190m | |
| Target ECA Covered Debt | US\$ 170m | |

Figure 4. Altech Malaysian subsidiary's site office in Johor, Malaysia



Key developments – Malaysia

The Company secured the HPA plant site (PLO 14) within the established Tanjung Langsat Industrial Complex during 2016 via the execution of a 30-year lease agreement (with a 30-year renewal option) with Johor Corporation. The ~4ha site is in a section of the industrial park specifically reserved for chemical facilities.

In November 2016 the Company opened a local site office for its Malaysian subsidiary Altech Chemicals Sdn Bhd in Johor. Located within the Tanjung Langsat Industrial Complex, the site office is within walking distance from the Company's HPA plant site. The site office is manned by a full-time project co-ordinator.

Last year the Company received approval from the Department of Environment, Johor (DOE) of its Preliminary Site Assessment (PAT) for the HPA plant at a production rate of 4,500tpa.

Key developments – Malaysia *(continued)*

The approval of the PAT confirmed that the proposed location of the HPA plant within the Tanjung Langsat Industrial Complex and its proposed activities are compatible with gazetted structure/local plans, surrounding land use, provision of set-backs or buffer zones and waste disposal requirements.

The Company's Johor-based HPA plant site is now ready for construction, subject to successful project funding.

In November 2017 the Company met with the German ambassador to Malaysia, HE Nikolaus Graf Lambsdorff to discuss Altech's proposed HPA project and its strong ties to Germany.



Figure 5. Altech alternate director Mr Uwe Ahrens with German Ambassador to Malaysia HE Nikolaus Graf Lambsdorff



Key developments – Meckering

During the quarter the Company announced that it had exercised its option to purchase the ~94 hectares of land at Meckering, Western Australia within which its granted and fully permitted kaolin mining lease (M70/1334) lies. The Company is currently progressing with the subdivision process, which is required to create the separate land titles in order to finalise the purchase.

In December 2016 the Company submitted a mining proposal and mine closure plan, which was subsequently approved by the WA Department of Mines, Industry Regulation and Safety (DMIRS) in March 2017. The Company's works approval application for its proposed Meckering loading and screening facility was granted by the WA Department of Water and Environmental Regulation (DWER) in August 2017. The works approval permits the construction and works for the kaolin screening and loading facility infrastructure.

In addition to the above approvals the Native Title and Aboriginal heritage aspects of the proposed Meckering kaolin mine were also considered. Having executed a Noongar Standard Heritage Agreement (NSHA) with the South West Aboriginal Land and Sea Council (SWALSC) on behalf of the Ballardong People Agreement Group, a resultant heritage survey was undertaken and no sites of ethnographic significance were identified.

The Meckering site is now ready for mining and construction, subject to successful project funding.

Corporate

Next stage: project equity funding

The Company has commenced the project equity funding process, which is a condition precedent to debt draw-down. The final required equity component of project funding will be determined as the Company works through the balance of funding options and financing costs. The final funding mix may include subordinated mezzanine finance and/or project level equity participation.

Since the KfW IPEX-Bank debt funding was confirmed in late 2017, there is heightened interest in the Company and its HPA project and a number of project funding options have been presented. The Company is also exploring potential project-level joint venture options with several major industrial groups that could result in a major reduction of the equity amount required to fund the project and subordinated mezzanine finance with associated equity.

The objective is to achieve a robust project funding solution that maximises shareholder returns and minimises dilution.

Annual General Meeting

On 30 November 2017 the Company's annual general meeting was held. All resolutions put to shareholders were passed by the required majority on a show of hands. Details of the voting in regard to the resolutions (together with the information required to be given by Section 251AA of the Corporations Act) can be found on the Company's ASX announcement dated 30 November 2017.

Expiry of unlisted options

During the quarter the Company advised the expiry of unlisted and unexercised options:

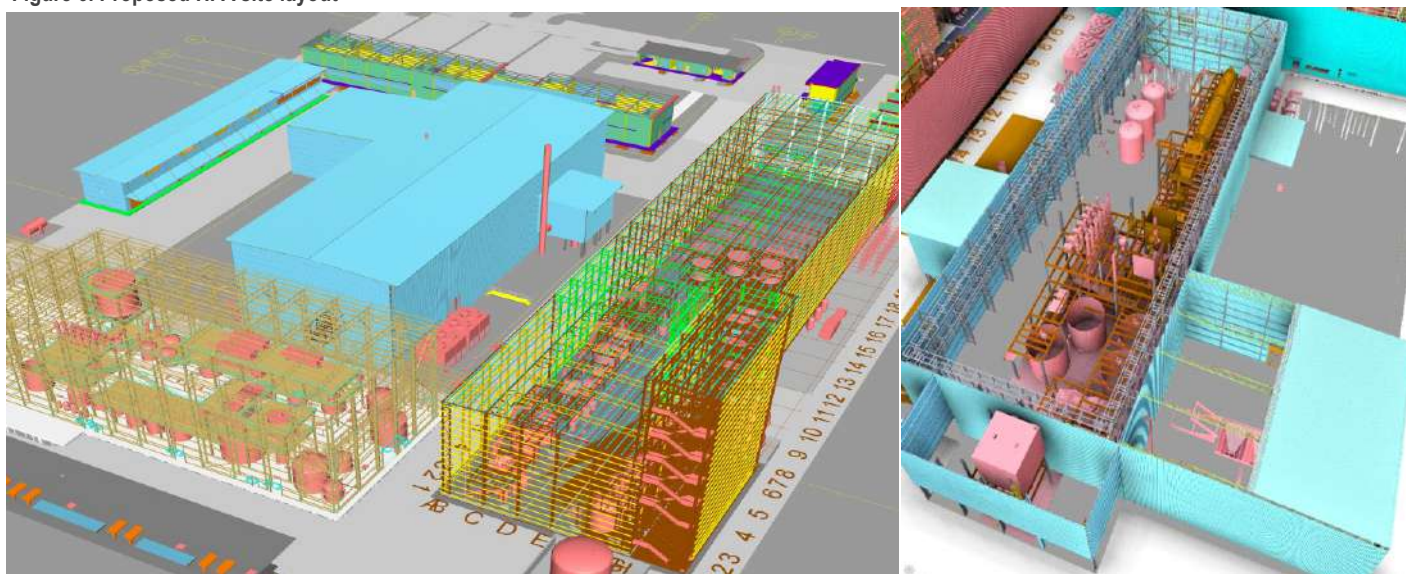
- 1,000,000 Exercise Price \$0.20
- 1,000,000 Exercise Price \$0.25
- 1,000,000 Exercise Price \$0.30

The capital structure of the Company following the expiry of the unlisted options was (as at 31 December 2017):

- Ordinary Shares 405,063,398
- Performance Rights* (managing director) 10,000,000
- Performance Rights* (non-executive directors) 5,500,000
- Performance Rights* (employees) 5,200,000

** The vesting of all Performance Rights is subject to various pre-determined performance milestones*

Figure 6. Proposed HPA site layout



Corporate *(continued)*

Investor Roadshows

Altech has focused on consolidating support for its HPA project from its existing cornerstone and institutional shareholder base and via introduction of the investment opportunity in Europe, London, Hong Kong and Australia.

The Company's HPA project has resonated with a number of institutional investors, high net-worth investors and retail investors. Institutional support for the Company has grown considerably in the last 18 months as a result of Altech's investor roadshow campaigns.

Altech's strategy to broaden its European investor base, particularly in Germany where there is growing interest in the Company's HPA project, commenced with the dual-listing of its shares on the Frankfurt Stock Exchange in April 2017.

Figure 8. Altech at the Low Emission & Technology Minerals conference



The Company's key project stakeholders, German bank KfW IPEX-Bank and world-leading German EPC contractor SMS group, demonstrate Altech's investment appeal for German and other European-based investors.

In response to the growing German and European-based audience, the Company has appointed a Frankfurt-based investor relations representative as well as launching a German language version of its website.

The Company will continue to build awareness of its HPA project based on the successful investor relations campaigns previously held in Frankfurt, Zurich, London, Hong Kong, Sydney, Brisbane, Melbourne and Perth.

Figure 7. Altech's investor roadshow campaign in Europe, Oct-Dec 2017





Altech Chemicals
Limited

QUARTERLY REPORT

December 2017

Company Snapshot

Altech Chemicals Limited (ASX:ATC)
ABN 45 125 301 206

FINANCIAL INFORMATION

(as at 31 December 2017)

| | |
|----------------------|---------|
| Share Price: | \$0.21 |
| Shares: | 406m |
| Options: | Nil |
| Performance Rights:* | 20.7m |
| Market Cap: | \$85.2m |
| Cash: | \$9.2m |

DIRECTORS

| | |
|-------------------|------------------------|
| Luke Atkins | Non-executive Chairman |
| Iggy Tan | Managing Director |
| Peter Bailey | Non-executive Director |
| Dan Tenardi | Non-executive Director |
| Tunku Yaacob Khya | Non-executive Director |
| Uwe Ahrens | Alternate Director |

COMPANY SECRETARY/CFO

Shane Volk

HEAD OFFICE

Suite 8, 295 Rokeby Road,
Subiaco, Western Australia, 6008

T. +61 8 6168 1555

F. +61 8 6168 1551

E. info@altechchemicals.com

W. www.altechchemicals.com

Schedule of Tenements

As per ASX Listing Rule 5.3.3, the Company held the following tenements (exploration and mining leases) as at 31 December 2017:

| Tenement ID | Registered Holder | Location | Project | Grant Date | Interest end of quarter |
|-------------|--------------------------|--------------|-----------|------------|-------------------------|
| E70/4718-I | Canning Coal Pty Ltd | WA Australia | Kerrigan | 01/12/2015 | 100% |
| M70/1334 | Altech Meckering Pty Ltd | WA Australia | Meckering | 19/05/2016 | 100% |

ABOUT ALTECH CHEMICALS LTD (ASX:ATC) (FRA:A3Y)

Altech Chemicals Limited (Altech/the Company) is aiming to become one of the world's leading suppliers of 99.99% (4N) high purity alumina (HPA) (Al_2O_3).

HPA is a high-value, high margin and highly demanded product as it is the critical ingredient required for the production of synthetic sapphire. Synthetic sapphire is used in the manufacture of substrates for LED lights, semiconductor wafers used in the electronics industry, and scratch-resistant sapphire glass used for wristwatch faces, optical windows and smartphone components. There is no substitute for HPA in the manufacture of synthetic sapphire.

Global HPA demand is approximately 25,315tpa (2016) and demand is growing at a compound annual growth rate (CAGR) of 16.7% (2016-2024), primarily driven by the growth in worldwide adoption of LEDs. As an energy efficient, longer lasting and lower operating cost form of lighting, LED lighting is replacing the traditional incandescent bulbs.

Current HPA producers use expensive and highly processed feedstock materials such as aluminium metal to produce HPA. Altech has completed a Final Investment Decision Study (BFS) for the construction and operation of a 4,500tpa HPA plant at the Tanjung Langsat Industrial Complex, Johor, Malaysia. The plant will produce HPA directly from kaolin clay, which will be sourced from the Company's 100%-owned kaolin deposit at Meckering, Western Australia. Altech's production process will employ conventional "off-the-shelf" plant and equipment to extract HPA using a hydrochloric (HCl) acid-based process. Production costs are anticipated to be considerably lower than established HPA producers.

The Company is currently in the process of securing project financing with the aim of commencing project development in mid-2018.

Forward-looking Statements

This announcement contains forward-looking statements which are identified by words such as 'anticipates', 'forecasts', 'may', 'will', 'could', 'believes', 'estimates', 'targets', 'expects', 'plan' or 'intends' and other similar words that involve risks and uncertainties. Indications of, and guidelines or outlook on, future earnings, distributions or financial position or performance and targets, estimates and assumptions in respect of production, prices, operating costs, results, capital expenditures, reserves and resources are also forward-looking statements. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions and estimates regarding future events and actions that, while considered reasonable as at the date of this announcement and are expected to take place, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the directors and management. We cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this announcement will actually occur and readers are cautioned not to place undue reliance on these forward-looking statements. These forward-looking statements are subject to various risk factors that could cause actual events or results to differ materially from the events or results estimated, expressed or anticipated in these statements.

*subject to vesting conditions



Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

ALTECH CHEMICALS LTD

ABN

45 125 301 206

Quarter ended ("current quarter")

DECEMBER 2017

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | - |
| 1.2 Payments for | | |
| (a) exploration & evaluation | (25) | (25) |
| (b) development | (5,720) | (6,652) |
| (c) production | - | - |
| (d) staff costs | (610) | (953) |
| (e) administration and corporate costs | (525) | (821) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | 29 | 32 |
| 1.5 Interest and other costs of finance paid | (15) | (15) |
| 1.6 Income taxes paid | - | - |
| 1.7 Research and development refunds | 298 | 298 |
| 1.8 Other (provide details if material) | | - |
| 1.9 Net cash from / (used in) operating activities | (6,568) | (8,136) |

| | | |
|--|------|------|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) property, plant and equipment | (30) | (31) |
| (b) tenements (see item 10) | - | - |
| (c) investments | - | - |
| (d) other non-current assets | - | - |

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (6 months) \$A'000 |
|---|---|------------------------------------|--|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) property, plant and equipment | - | 10 |
| | (b) tenements (see item 10) | - | - |
| | (c) investments | - | - |
| | (d) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| 2.6 | Net cash from / (used in) investing activities | (30) | (21) |

| | | | |
|-------------|---|---------------|---------------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of shares | 16,406 | 16,534 |
| 3.2 | Proceeds from issue of convertible notes | - | - |
| 3.3 | Proceeds from exercise of share options | - | - |
| 3.4 | Transaction costs related to issues of shares, convertible notes or options | (530) | (530) |
| 3.5 | Proceeds from borrowings | - | 280 |
| 3.6 | Repayment of borrowings | (280) | (280) |
| 3.7 | Transaction costs related to loans and borrowings | (10) | (10) |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | 15,586 | 15,994 |

| | | | |
|------------|--|--------------|--------------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 281 | 1,432 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (6,568) | (8,136) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (30) | (21) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | 15,586 | 15,994 |
| 4.5 | Effect of movement in exchange rates on cash held | | |
| 4.6 | Cash and cash equivalents at end of period | 9,269 | 9,269 |

| 5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|--|------------------------------------|-------------------------------------|
| 5.1 Bank balances | 9,269 | 281 |
| 5.2 Call deposits | | |
| 5.3 Bank overdrafts | | |
| 5.4 Other (provide details) | | |
| 5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 9,269 | 281 |

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

299

Director remuneration and rent of office premises

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

Mining exploration entity and oil and gas exploration entity quarterly report

| 8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|--|---|--|
| 8.1 Loan facilities | | |
| 8.2 Credit standby arrangements | | |
| 8.3 Other (please specify) | | |
| 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. | | |
| | | |

| 9. Estimated cash outflows for next quarter | \$A'000 |
|--|----------------|
| 9.1 Exploration and evaluation | - |
| 9.2 Development | (1,200) |
| 9.3 Production | - |
| 9.4 Staff costs | (350) |
| 9.5 Administration and corporate costs | (300) |
| 9.6 Other (payments for land Meckering & Malaysia) | (3,750) |
| 9.7 Total estimated cash outflows | (5,600) |

| 10. Changes in tenements (items 2.1(b) and 2.2(b) above) | Tenement reference and location | Nature of interest | Interest at beginning of quarter | Interest at end of quarter |
|--|--|---------------------------|---|-----------------------------------|
| 10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced | | | | |
| 10.2 Interests in mining tenements and petroleum tenements acquired or increased | | | | |

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Director/Company secretary)

31 January 2018
Date:

SHANE VOLK

Print name:

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.